

PUBLIC ADMINISTRATION**PLACE AND ROLE OF MODERN REGION IN THE GLOBAL ECONOMICAL SYSTEM***Professor Oleh Tkach¹, PhD student Tetiana Masliak²**Ukraine, Ivano-Frankivsk, Precarpathian National University named after Vasyl Stefanyk;**¹Professor, Head of Department of Management and Marketing;**²PhD student at Department of Management and Business Administration***DOI:** https://doi.org/10.31435/rsglobal_ijite/30092019/6668**ARTICLE INFO****Received** 25 July 2019**Accepted** 11 September 2019**Published** 30 September 2019**KEYWORDS**

modern region, global economic system, oriental development, economical orient, regional oriental-economical system.

ABSTRACT

Economical regional orient has been investigated with considering an economical process forming and organization by the modern period. The role of leading link in this process is played by reproductive structures – regions – but not by industrial ones – enterprises. The very non-commercial structures are leading link in economic sustainable development. Regional oriental-economical system is an element of state, macro regional and global economic spaces that has distinctly expressed hierarchical structure. The development of regional oriental economical system corresponds to cyclic law and undergoes to various influences. The supply of competitiveness of regions influenced by global tendencies supplying oriental unity, sustainability and management is the main challenge in oriental regional development.

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Introduction. The development of the modern global processes was reflected on the increase of the scales and the dynamics of the international movement of the capitals, the goods, and the services, the production factors, the information and the technology.

On the one hand, it calls forth the maximum of the national economies convergence, their interlacement, the intergrowth and the interdependency upon the regional, the macro regional and the global levels, and on the other hand, it calls forth the reinforcement of the competitive struggle between the subjects of the international economic relations, among which the modern region takes the rightful position.

The stipulation of the above-mentioned processes not so much concerns the peculiarity of the part of the regional foundations within the development of the global economic system, as the features of the application of the principles of the oriental organization of the regional economy.

The oriental organization of the economy of the region covers all the questions concern the territorial division of the work, the arrangement of the productive powers, the place of the region in the national and the international division of the work, the regional divergences in the economic relations, the regional social-economic policy, the settling of people, the mutual relations of the society and the surrounding.

For the solution of questions concern the economic, the ecological and the social development of the territory, the modern region has the opportunity, except the use of the inner regional resources, the potentials of the regional subject of the economy and the institutions, to mobilize the resources of the economic increase that are behind the ‘limits’ of the region in the scales of the interregional, the international, the macro regional and the global ranges.

Research results. It was found that now the main approaches to the studying of the analysis of the economic space are:

1. The territorial approach interprets the economic orient as the informative territory that includes a lot of objects and connections between them: the settlements, the industrial enterprises, the settled economic and recreational areas, the transport and the engineering networks. Territorial approach to the economic space is topical one in the pre-industrial and the industrial eras of the development, so long as the evolutionary development of the society determined the independency of the established connections that forms the economic orient in the certain territorial limits from the factor of the economic subjects territorial arrangement.

2. The resource approach determines the content and the character of the re-distribution of the resources that are accessible for the subjects of the economy. The change of the paradigm of the development from the effective means of the accessible resources conversion to the condition of the effective use of the human capital, the accumulation of the knowledge changed the attitude to resources as to the immediate and the necessary one.

3. The information approach regards the economic orient through the information component of the economic process as the form of the exchange within the interplay of the economy subject with the economical orient. This approach to the determination of the economical orient is characterized by the absence of the enough clear alternative positions in the surrounding of this direction, since its appearance is typical in the last decades.

Upon the modern step of the development of the global processes and the settling of the postindustrial society by observing the economic orient, the factor of 'the time' becomes the most significant one, that changed substantially the interpretation of 'the competitiveness', including for the region.

Dwelling upon the definition of the separate characteristics of the regional oriental-economical system: 'the synthetical characteristic', 'the integrity', we can affirm that they concern the content of the artificial supply or the creating of the necessary (exogenous and endogenous) conditions that would guarantee the integral character of the oriental system.

The very notion 'the integrity' concerning the regional oriental-economical system applies as not to the object, and to the process that takes place inside the region.

It was also found that the regional orient is formed with the help of the vertical, the horizontal, the functional or the time character and their system-forming character. In our opinion, such connection and the influence carry the mutual content. It is characterized by the process of the mutual influence of the oriental-economical systems the one to another that stipulates for the universal form of the dynamic development. Such interaction determines the existence and the structural organization of the regional oriental-economical system, its integration, equally with the other systems, into the oriental systems of the higher level and the acquisition of the characteristics of the other oriental-economical systems and the phenomena.

The cyclicity of the development stipulates for such following important gradual inherent feature of the oriental-economical systems as the dynamism that is the constant development and the transformation. As we see the dynamism and the transformation of the regional oriental-economical systems can take place only within the limits of the steady development, the supply of the needed economic, social and other standards for the separately distinguished oriental system.

The dynamism of the regional oriental-economical systems development takes place under the conditions of its relative invariability, the conservation of the proper structure, the stead functioning within the limits of the certain time period and the ability to remain invariable, stable concerning the outer pressure without the necessity of the transition into the new other static condition. That is, in our opinion, the endurance of the oriental-economical systems is the necessity and the possibility of the preservation of the static condition of the development within the limits of the certain time interval under the conditions of the direct exogenous influence.

We can assert that any oriental-economical systems are characterized by the following features: the cyclicity, the cyclic dynamic development under the condition of the steadiness concerning the exogenous and endogenous influences, the complicated character of the outer and the inner connections, their constant character and the clear mechanism of the interplay, the ability to be manageable and planned.

In our opinion the diverse character of the complexity cause the formation and the functioning of the oriental-economical systems of the different aspect and the hierarchy. It means the regional oriental-economical system can be not only the region but also the interregional, the transboundary, the macroregional institution.

S. P. Sanko, V. V. Kulishov, V. I. Mustafin put into the content of the oriental organization the conception of the territorial-industrial complexes on the base of the theory of the economic zoning with the strict regulation of the economics [1, p.9].

The supporters of the theory of the economic zoning were examining the selection of the ways of the best usage of the regional possibilities, the detection of the priorities of the development, the aims and the tasks of the regional policy ingenuously in view of the processes of the zoning of the country's territory [2;3;4]. The development of the theory of the economic zoning caused the appearance of the new scheme of the social-economic zoning of Ukraine [5].

In our opinion, expansion of the living space is not connected with the content of the expansion of the economic system geographically. In the oriental aspect it acquires the shape of the exogenous influences due to which the creation of the necessary conditions for the expansion of the space takes place but in the limits of the other oriental-economical system that responds such exogenous influence.

N. V. Pavlikha [6, p.28] examines the expansion of the living space of the oriental-economical systems as the basis of the formation of the theory of the stable oriental development. It is necessary to dwell upon the fact that to the factors of the economic and the social development of the regions as the oriental-economical systems and the more enlarged systems are attributed: the economic and the technical development, the financial system, the level of the social integration, the politic stability [7].

In developed economics of sustainable development is filled with new content. The west economists assert that way to sustainable development is made by market and only by market. But new order that is in the system of world economics doesn't have anything common with transition to sustainable development in reality according to assessment of many observers.

The sustainable development can be interpreted as expansion of the notion of complex regional development, the transition from inter branch peg of separate manufactures to system management of all complex of economic social and demographic and ecological processes in certain territory, concentrated solution of questions of arrangement of production and formation of population.

The following factor that dictates the necessity of transition to sustainable development is the intensification of interregional differentiation. The growth of variation of individual incomes per capita of population or non-conditioned high concentration of finance resources in certain territories can be included into positions of interregional differentiation.

The third factor that conditions the process of sustainable development is the institutional one. It is conditioned by the fact that imagination about automatism of market is just only with using of resources. And vice versa, the reproductive processes become complicated under the conditions of market economics. They occur more often out the limits of market, in particular:

1) the reproduction of manpower resources – in the family and systems of education, public health and recreation;

2) the reproduction of biological resources in corresponding subsystems of biospheres; reproduction of knowledge and business skills occur in such non-commercial spheres of activity as science and culture.

The modern regional economic science asserts that nowadays the question concerning institutional supply of sustainable development is not only solved but isn't raised.

The regions should become the basic organizers of institutional supply of 'transition of subjects to sustainable development' [8, p.18]. It is determined by objective place of bases of reproduction:

- of the space of interaction of resources subsystems [10] and existence of certain set of subjective signs such as experience of arrangement of territory;
- of an opportunity of support to corresponding scientific and project institutions.

Thus, if sustainable development is the transition from 'economics of resources' using' to economics of their system reproduction than the role of leading link in this process should be played not by industrial structures – enterprises, but by reproductive ones – regions.

With this purpose they should not only react to propositions of enterprises but also appear as leaders of economic development, singling out complete complexes of environment and separate parts of territory that are specially conditioned for commercial activity.

The subjects of reproductive process are regional and local administrations that are from economic viewpoint:

- 1) The non-commercial structures oriented to political aims.
- 2) The monopolists as in one region there cannot be two administrations [9].

We can see in above-mentioned information the non-commercial structures are leading link in economic sustainable development.

The regional administration under the conditions of stable development appears as the process of coordination and intensification of reproduced cycles and regional politics as the process of territorial organization of reproduced resources. In the comparison today's purpose of its activity, 'smoothing of levels of economic processes' in reality creates only 'superstructure' over this foundation.

The significance of local authorities under the conditions of oriental economics development acquires broader definition. Besides the existent notion it also expects the independence and autonomy of local bodies to solve actively and without assistance questions of local significance.

The local authorities is the main mechanism of economic processes acyclic regulation ensuring due to not only active regulation as for overcoming of negative phenomena in the economics of region, solving of social and economic problems but also formation of effective interregional and external economic surrounding.

Meanwhile the bodies of authorities should appear not as administrative bodies but as economic partner of economic subjects, meanwhile accumulating industrial and economic possibilities of set of enterprises both for solving general regional problems and formation of external and inner economic surrounding.

The main mechanisms that are distributed to bodies of local authorities as for formation of effective economic surrounding is territorial property of bodies of authorities, organizational autonomy, finance self-sufficiency, adopting, ratification and control of social and economic development implementation programs; regulation of local taxes and charges and ratification of budgets of corresponding administrative and territorial units. The one of functions implementation necessary condition by bodies of local authorities is creation of corresponding economic base of local budgets, in its turn financing of local authority budget is the most important sphere of state finances.

To sum up the information mentioned above we can assert that the main bearer of effective regional politics in the sphere of formation and development of economic space, acyclic regulation of economic processes are bodies of local authorities in the combination with effective process of state regulation of economics that is determined depending on the object of state regulation with taking into account its specific features and peculiarities.

Concerning the reproductive pattern of economics of region, its technological basis and competitiveness are formed in the result of integration action of exogenous and endogenous factors with the help of participation of region in the system of interregional and world economic connections. The base of economic complex of regional oriental system includes branches of specialization where production for transportation into other regions of country and for export is produced. Region as social-economic system is integrated into national space with the assistance of net of interregional economic connections and correspondingly into world economy.

To most important positions of oriental competitiveness of region we should put:

- the comfortable geographical location and high transport familiarization of territory of region, closeness to economically developed territories, able to form market economic space; presence of comfortable transport and economic connections with foreign countries;
- the presence of natural resources;
- the presence in region of developed scientific and technical potential, scientific and informational component of economic space;
- the innovative development;
- the presence of modern market infrastructure and personnel that posses sufficient knowledge for organization of efficacy of marketing, finance and credit and stock activity;
- the favorable ecological situation that makes region attractive for arrangement of new workplaces and residence of population;
- the presence in region of reliable external economic potential that is understood as the possibility of active participation in world economic connections, the development of frontier territories, trans boundary cooperation;
- the extension of economic infrastructure and determined directions of its reformation. The economic structure of region determines volume of endogenous market and main directions of import and export of goods and services;
- the economics of region largely depends on efficacy of functioning of several large enterprises. There are those poles of growth that have multiplicative influence upon other branches.

The development of region can be ensured also due to passage to cluster unions, optimal exclusive technological and economic cycles;

- the development of tourism and recreation that have important significance for diversification of economic activity.

Conclusions.

1. The efficacy of achievement of indicators of balanced economic development of national oriental-economical system will depend on close character of interaction and connection of subsystems complex that are components of this system in dynamics and complex.

2. The competitiveness of regional formations: as interregional, frontier, trans boundary and also competitiveness of the regions in global surrounding is main motive of participation of the regions in supply of sustainable development and competitiveness of a country as macro unit. In the connection with it the geopolitical resource is considerable source of regional development. Under the condition of transformation of oriental-economical systems of mezolevels into active subjects of exogenous economic relationship under the conditions of global tendencies of world economics, the geopolitical potential becomes a considerable factor of regional formations development as the considerable influence should be present upon their possibilities concerning trans boundary, frontier and innovative and investment cooperation.

3. The successful development of regional oriental-economical system is complex economic process that embodies the complex of organizational, finance and economic and social components. Each of components of regional oriental system possesses the system characteristics, own qualities and is formed as structural unit that functions not directly but in state and global dimension.

4. The regional oriental-economical system is an element of state, macro regional and global economic spaces that has distinctly expressed hierarchical structure the development of which corresponds to cyclic law and undergoes to different influences. The main problem of oriental regional development is the supply of competitiveness of regions with taking into consideration of global influences and with the purpose of supply of oriental unity, sustainability and management.

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